

Wilson's Allies Agree to Wilson's Proposal in Adriatic Issue; They Planned to Ignore America in Settlement

Lawyer Will Urge Arnstein To Surrender

Fallon, After Conference With Dooling, Agrees to Accept \$100,000 Bail Offer of Swann

Fugitive May Give Self Up by Monday

Widepread Man - Hunt to Continue; Detectives Declare Arrest Is Near

Following a conference between Assistant District Attorney John T. Dooling and William J. Fallon that lasted for more than an hour last night, Mr. Fallon said that he would immediately get into touch with Jules W. Arnstein, for whom he is attorney, and advise him to surrender himself to the authorities and take advantage of the \$100,000 bail bond which District Attorney Swann has agreed to accept.

Arnstein is wanted in connection with the conspiracy to loot Wall Street of \$5,000,000 in bonds and other securities. The police allege that he was the "master mind" that perfected the plot, and that he is the one who engineered many of the recent bond thefts in the financial district. He has been missing since February 12.

When newspaper men last night Fallon indicated that all hope of getting the District Attorney to accept bail for Arnstein in a sum less than \$100,000 had been abandoned and that it had been decided to accept Mr. Swann's offer.

Will Advise Surrender
At the District Attorney's office it is confidently expected that Arnstein will give himself up not later than Monday morning.

When Fallon emerged from Mr. Dooling's office after last night's conference, he said: "Since my talk with Mr. Dooling on Wednesday night, when I offered to produce Arnstein at once if a bail bond of \$100,000 was accepted, and at which time he said that no amount under \$100,000 would be considered by District Attorney Swann, I have had little or no opportunity to take this matter up with Mrs. Arnstein or any one else interested in my client's defense."

"I have been so busy with the Fritz murder trial now going on in the Bronx that I have not had a chance to take up the Arnstein case. Following the talk which I had with Mr. Dooling I can state that it is my intention to advise Arnstein to return and surrender himself to the jurisdiction of the court under the \$100,000 bail arrangement we have agreed upon."

To this statement Mr. Dooling added: "Mr. Fallon expects to produce Arnstein on Monday morning."

"I am not in a position to indicate that Arnstein was not in New York, Fallon replied: "I merely mean that he will return to the court. At this moment I don't know where he is."

The lawyer admitted that he would be in direct communication with Arnstein within a few minutes after leaving the Criminal Court Building and would be advising him to surrender. That Arnstein will hasten to follow this advice is not doubted by the authorities.

Those who have been on the "fugitive" trail day and night for more than a week said last night that they believed he was in New York and said that his arrest might be announced at any time.

He is reported to be in hiding, instead of being surrendered by his attorney, Swann will ask that his bail be fixed at not less than \$200,000.

Mr. Dooling, after talking to Fallon last night, said he did not believe Arnstein was in New York, but thought he was not very far away. He said he thought he was as far away as Detroit at this time, and that the fugitive is reported to have been recently in hiding.

Messengers to Testify
Saul S. Myers, attorney for the National Surety Company, which has filed an involuntary petition in bankruptcy against Arnstein, will be examined by witnesses before Federal Commissioner in Bankruptcy Alexander Gilchrist at 10 o'clock this morning in the hope of discovering whether the fugitive has any assets. The National Surety Company asserts it has had to make good for heavy losses sustained by banks and brokers here in the financial district as a result of thefts attributed to have been planned by Arnstein.

Joseph and Irving Gluck, former Wall Street messengers, now under arrest in connection with the bond thefts, will be among the witnesses to be examined to-day by Mr. Myers. It is said to be the confession of Joseph Gluck that first involved Arnstein in the bond conspiracy.

William J. Fallon, and his partner, Eugene F. McGee, were both served with Federal subpoenas as they were leaving Dooling's office last night, and are expected to appear before Commissioner Gilchrist to-day to tell what they know of Arnstein's financial affairs.

The examination of Fannie Brice, who was the first witness called in the bankruptcy proceedings, will be continued on Monday at 2 o'clock. Miss Brice informed Commissioner Gilchrist that her work on the stage prevented her from getting to bed before 3 o'clock in the morning, and that it would be impossible for her to attend any session held before noon.

Flyer Makes New Record; Falls 5 Miles; Lands Safe

Major Schroeder, Up 36,020 Feet, Becomes Unconscious and Loses Control of Plane; Recovers in Time to Right Machine

DAYTON, Ohio, Feb. 27.—An airplane carrying Major R. W. Schroeder, chief test pilot at McCook Field, today fell more than five miles after reaching an altitude of 36,020 feet, said to be 5,020 feet higher than the world's record.

To-night the major is in a hospital, suffering from shock and temporary partial blindness. Instruments on the machine indicate that it fell more than five miles in two minutes. While still 2,000 feet above the ground the airplane righted and glided to a graceful landing. When the plane settled attendants who rushed toward it found Major Schroeder sitting erect in the machine, apparently lifeless.

For a brief time residents of Dayton were sure a comet had appeared in the sky. They had mistaken the trail of vapor escaping from the machine as it sped downward for a "stranger in the heavens."

Thousands of persons gazed skyward watching the plane, which had ascended two hours before, plunge downward.

The exhaust gas from the airplane, freezing in the frigid temperature, caused a cloudlike formation resembling the tail of a comet to hang below the clouds. Inasmuch as the airplane was not visible, speculation varied as to what it was. Some witnesses inclined to the belief that a strange body

was coming with a message from Mars. Professor William Beck, astronomer at St. Mary's College, making observations through a telescope, discerned the airplane.

Major Schroeder lost consciousness when his machine had reached a height recorded by instruments as 36,020 or 5,020 feet higher than the world's record, established by Roland Rohlfs last summer.

His senses numbed and his eyes frozen shut in the temperature said to have been 67 degrees below zero, Schroeder regained partial consciousness when 2,000 feet above the earth plane to right his machine and prevent it from crashing to the ground out of control.

The thousands of spectators who were unware at the time that they were witnessing a "drama of the sky," they saw a speck of black silhouette against the blue, to which was attached a "tail" of grayish color. Gradually the object was enlarged as it fell from the effluvia of ether and oxygen. When almost seven miles above the earth his oxygen tanks became exhausted and it was this which

caused the crash. The plane, which had ascended two hours before, plunged downward.

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U. S. Trade With Russia Is Predicted

Recognition Declared Improbable, but Demand of Shippers for End of Embargo May Prevail

No Reply Will Be Made to "Reds"

Resolution Calling for Renewal of Peace Relation Offered in Senate

WASHINGTON, Feb. 27.—The latest overtures of the Russian Soviet government for peace with the world may result in the early reestablishment of commercial intercourse between the United States and that country, according to statements made by officials here to-night.

The efforts of the Russian government to obtain recognition eventually may lead to the formal recognition of the Soviet government by the United States, it was admitted, but it was declared there is no thought now of extending recognition as the result of the latest overtures.

The American government has received the Russian peace proposal. It was picked up by the American representatives at Stockholm, Sweden, and transmitted to the State Department here.

The American government, it was said to-day, has been considering for several months the lifting of the embargo placed after the revolution upon exports to Russia. American shippers and manufacturers have repeatedly requested that the embargo be lifted, but the Administration has taken the attitude that the peace treaty must be ratified before that action could be taken.

It was said at the State Department that the proposal of the Russian government of all American troops from Russia and Siberia. The resolution was referred to the Foreign Relations Committee, where it is expected to die.

First—Tacit recognition of the Bolshevik government by the United States. Second—Non-interference by Great Britain with respect to the internal condition of Russia. Third—Non-interference by Great Britain with the territories on the frontiers of Georgia and Persia.

Fourth—Demobilization of the "Red" army. Fifth—A promise by the Bolsheviks to recognize the independence of the meridional republics, especially Georgia.

Sixth—Non-interference by Russia with the territories on the frontiers of Georgia and Persia. Seventh—Payment in gold for goods exported or imported between Russia and Great Britain.

Eighth—A regime of commercial equality for Russia and Great Britain in the autonomous states on the western frontiers.

The correspondent says the Moscow government is disposed to accept several of these points, but that it is firm against the fourth and sixth points.

Both Houses Adopt Bill
The bill was adopted by the Chamber of Deputies by a vote of 341 to 100, and by the Senate by a vote of 100 to 0.

The Premier, speaking on a bill introduced by Yves le Troquer, Minister of Public Works, authorizing the requisition of automobiles, trucks and airplanes in case of interruption of railroad traffic by the strike, said:

"We are facing a political movement, or, calling it by its name, a revolutionary movement under a puerile pretext."

The Premier received a delegation from the executive committee of the National Federation of Railroads. After the conference the committee made this announcement:

"The committee advises the federal council of the General Labor Federation, which meets in extraordinary session to-morrow, the task of examining the situation and deciding what steps are necessary."

The strike spread further to-day, but some reaction to the walk-out was evident. On the lines of the Paris, Lyons & Mediterranean all traffic was at a standstill. Despite the partial service on the Eastern Railways, though the employees of the station quit this morning. The shippers of the North, Orleans and State lines have gone out in trucks and automobiles to the suburbs.

Employees of the Midi Company assembled and declared against the strike, and some employees of the East Company gathered, denouncing the strike and appealing for resumption of work. A proposal to return to work pending arbitration was considered by the employees of the Paris district, but no decision was taken.

U. S. Asked if Geddes Is Acceptable Envoy
British Embassy Makes Formal Inquiry of the State Department

WASHINGTON, Feb. 27.—Formal inquiry was made by the British Embassy at the State Department to-day as to the acceptability of Sir Auckland Geddes, now Minister of National Service and Reconstruction, to be British Ambassador to the United States.

M. P. Sells Men's Suits at \$9.50

From The Tribune's European Bureau (Copyright, 1920, New York Tribune Inc.)

LONDON, Feb. 27.—A real and popular blow at high prices was dealt to-day by a millionaire Member of Parliament, Harry Mallaby-Deeley, who, under his own name, opened a clothing store in the Strand, where tweed and cheviot suits of good cloth are made available to the public at prices ranging from \$9.50 to \$12.75.

Traffic in that part of the City was disrupted as the public made a rush for the doors. A long line of men was maintained all day long. The first lots vanished like snow in the spring. The suits are ready-made or made to order, and Mallaby-Deeley insists he can produce ten thousand suits and overcoats a week.

Cash Bonuses For Ex-Service Men Favored

House Committee Proposes to Raise Two Billions for Rewarding Veterans by Direct Taxation Method

WASHINGTON, Feb. 27.—Soldier bonus legislation, carrying with it new direct taxes through which the government would raise the money to be paid the men who fought in the World War, is favored by the Ways and Means Committee of the House. The committee, it was said to-day, soon will draft such a bill.

Sentiment in the committee, which has been intrusted by the House with the task of handling all soldier legislation, is against the issuance of bonds or additional currency to meet the expense of giving bonuses to former service men.

If there are to be bonuses, a poll of the committee shows, a majority favors the payment of cash raised by direct taxes, which will be felt by the former soldier and sailor as well as the rest of the population. A consumption tax is thought to be the best means.

That something positive must be done on the bonus question, hope to get before Congress a proposition that will give the former soldier what he represents to want, and to the people favor the bonus, despite increased taxes, well and good. If the people object to more taxes the representative will be in a position where he must cast his lot either with the former service men or with the taxpayers who think they already are paying enough into the Federal tills.

Legion Officers Back Legislation
The executive officers of the American Legion are back of the bonus legislation. Reports from many places indicate, however, that sentiment for and against bonuses among former service men is divided.

More than twenty bonus propositions are before the Ways and Means Committee. They involve expenditures all the way from \$1,500,000,000 to \$5,000,000,000. They call for cash payments, home or farm loans. Since those backing bonus legislation are insisting that the former soldier be given an option for cash or loans, it is estimated that at least \$2,000,000,000 in cash will be required.

Four methods of raising this money have been suggested. One is to tax \$2,000,000,000 in new currency, 4 to 10 per cent to be retired annually. A second is to issue \$50 government forty-year bonds in amount up to \$5,000,000,000. The third is a consumption tax on tea, sugar, coffee and a few of the other everyday necessities. The fourth is a gross sales tax, which every person

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Treaty To Be Beaten Again, Poll Indicates

Hitchcock and Underwood Declare Enough Democrats Will Stand Firm to Beat Reservations

54 Votes in Sight; Ten More Needed

Hoke Smith Accuses Minority Leader of Acting as an Obstructionist

WASHINGTON, Feb. 27.—A canvass of the Senate made to-day by Senators Underwood, of Alabama, and Hitchcock, of Nebraska, showed that the peace treaty with Germany will be defeated for a second time in the Senate when the vote is taken on ratification within the next week or two.

Senator Hitchcock is leader of the Administration forces in the treaty fight, and Senator Underwood is leader of the group of Democratic Senators who are prepared to accept most of the Lodge reservations in order to obtain ratification. The two Senators are rival candidates for the position of permanent Democratic leader in the Senate.

According to both Senators the poll disclosed that enough Democratic Senators will vote against the Lodge reservation on New York and several of the other reservations in the Lodge program to prevent ratification.

Ten More Votes Needed
The votes of ten more Democratic Senators are needed to make up the necessary two-thirds by which the treaty must be ratified. The poll showed that the full strength of thirty-four votes on the Republican side, and Democrats who want ratification on the treaty, should be secured.

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Bolshevik Chiefs Meet in Berlin

LONDON, Feb. 27.—Many foreign Bolshevik leaders have arrived in Berlin in the last few days, according to a dispatch to the Exchange Telegraph from the German capital. The best known of the leaders is the Hungarian, Alexander Garbai, whose visit, the dispatch says, is believed to be connected with the establishment of an international Bolshevik organization with headquarters in Berlin.

Palmer Tells Wilson Rail Bill Is Valid

WASHINGTON, Feb. 27.—The Department of Justice to-day returned the compromise railroad bill to President Wilson, with an opinion attached by Attorney General Palmer that there was no constitutional objection to it. Later the measure was referred to Walker D. Hines, Director General of Railroads, for his opinion.

Mr. Hines has made a study of the measure since it first was taken up in conference between the House and Senate, and has said he regarded it as about the best legislation that could be obtained under the circumstances.

Although there has been no intimation as to whether the measure will be passed, it is expected to be taken up in the Senate within the next week or two.

Attorney General Approves the Measure and Returns It to the President, Who Will Act Shortly

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U. S. Asked to Join in Note To Disputants

Reply, Accepting Proposal to Let Italy and Jugo-Slavia Negotiate, Withdraws Old Offers

Allies to Protect Albania Interests

Absence of U. S. Representative Declared To Be a Severe Obstacle

LONDON, Feb. 27.—The Entente premiers have accepted the proposals of President Wilson that the Adriatic question be settled by negotiation between the Italian and Jugo-Slav governments, and have asked that President Wilson join in making this suggestion to the Italians and Jugo-Slavs.

The fact that the premiers had acquiesced in President Wilson's viewpoint became known to-day, when the substance of their note, dispatched to Washington Thursday, was revealed. The reply repeats the assurance that the premiers "never had the intention of making a definite settlement without obtaining the views of the United States government."

It is dated February 26, and states that the absence of an American representative had proved in practice an almost insurmountable obstacle to the success of the negotiations on the Adriatic question.

Ask Wilson to Join in Note
The premiers note as a fact of the greatest importance that President Wilson expresses a willingness to accept any settlement "mutually agreeable to Italy and Jugo-Slavia regarding their common frontier in the Fiume region, provided such agreement is not made on the basis of compensation elsewhere at the expense of nationals of a third power."

This, the premiers agree, would be an ideal way of settling the question, and they express willingness to do their utmost to reach a settlement by this road. In order to facilitate this process they are ready to withdraw their proposals of December 9 and January 20, because they believe if the parties principally concerned believe the Allied and associated powers are committed to supporting them in any particular solution it will be more difficult to reach a voluntary agreement.

The premiers, therefore, cordially invite the President to join them in a formal proposal to the Italian and Jugo-Slav governments to negotiate an agreement on the basis of withdrawal of all previous proposals.

Agree as to Albania
If, however, this attempt should prove unsuccessful the French and British premiers agree that the United States, Great Britain and France should meet and consider the question in common, with the view of arriving at concrete proposals.

The premiers express appreciation of an agreement with President Wilson's views with regard to the future of the Albanian people, and say they are interested that they should bring their views into line with the American viewpoint.

With regard to the Treaty of London the premiers state that this "secret character" was due to military exigencies preventing its publication during the war.

The premiers declare they cannot disguise that should no voluntary settlement of the Adriatic problem be attained the Treaty of London would become the only valid alternative as far as they are concerned.

Italy has cooperated loyally, they say, in trying to find a substitute for the pact and the Allies hope they will succeed in finding such a substitute.

Reply of Premiers Sent to President

Contents Expected To Be Made Public by Monday in Adriatic Dispute

From The Tribune's Washington Bureau
WASHINGTON, Feb. 27.—The reply of the British and French premiers to the note from President Wilson on the Adriatic question was received at the State Department to-day and was immediately transmitted to the President without comment as to the nature of the communication, which was drafted within twenty-four hours after the receipt of the American note.

It was announced at the State Department that the premiers' note would not be made public here without the consent of the British and French Foreign Offices, which, it is believed, will be obtained not later than Monday, the date which those two countries plan to make public the entire Adriatic correspondence, including several notes between the British and the Jugo-Slav and Italian governments, after Decem-